Federal Communications Commission 445 12<sup>th</sup> St., S.W. Washington, D.C. 20554

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DA 11-1701

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DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF SJI HOLDINGS, LLC, SJI, L.L.C. AND LAFOURCHE TELEPHONE COMPANY, L.L.C. TO EATEL ACQUISITION, L.L.C.

## NON-STREAMLINED PLEADING CYCLE ESTABLISHED

**WC Docket No. 11-162** 

Comments Due: October 26, 2011

Reply Comments Due: November 2, 2011

On September 30, 2011, SJI Holdings, LLC (SJI Holdings), SJI, L.L.C. (SJI), Lafourche Telephone Company, L.L.C. (Latelco), and EATEL Acquisition, L.L.C. (EATEL) (collectively, the Applicants) filed an application requesting consent to transfer control of SJI and its subsidiary, Latelco, from SJI Holdings to EATEL.<sup>1</sup>

Latelco, a Louisiana limited liability company, provides incumbent local exchange and exchange access service to approximately 5,702 residential and 4,133 business access lines in the exchanges of Larose, Grande Isle, Golden Meadow, Leeville and Galliano, Louisiana. Latelco's wholly-owned subsidiary Vision Communications, LLC offers broadband Internet and video programming services in Latelco's service area, and in Lafourche Parish, Louisiana. SJI (doing business as Vision Long Distance), a Louisiana limited liability company, offers interexchange carrier services to approximately 5,972 customers in Latelco's service area. SJI also serves as a broadband Internet service provider in all of Latelco's service areas, as well as in other portions of Lafourche Parish in southern Louisiana. SJI is currently a subsidiary of SJI Holdings, a Delaware limited liability company.

EATEL, a Louisiana limited liability company, is a wholly-owned subsidiary of EATELCORP, LLC (EATELCORP). EATELCORP is also the ultimate parent company of Advanced Tel, L.L.C. (Advanced Tel), EATEL Video, L.L.C., East Ascension Telephone Company, L.L.C. (East Ascension),

<sup>&</sup>lt;sup>1</sup> 47 C.F.R § 63.04; *see* 47 U.S.C. § 214. Applicants are also filing applications for transfer of control associated with authorizations for international and wireless services. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications.

<sup>&</sup>lt;sup>2</sup> SJI is a certificated competitive local exchange carrier (LEC) in the state of Louisiana, and has entered into an interconnection agreement with AT&T, but currently does not provide service.

<sup>&</sup>lt;sup>3</sup> EATEL Video, LLC. is a video service provider in the City of Gonzales, the Town of Sorrento, the Village of Port Vincent, the Village of French Settlement, the Village of Killian, and portions of Ascension and Livingston Parishes.

and TLX Communications, Inc. (TLX). Advanced Tel is authorized to provide: intrastate long distance services (interexchange services) in Louisiana, Texas, Mississippi, and Alabama; Internet services in Louisiana; and competitive local service in Denham Springs and Donaldsonville, Louisiana. TLX is authorized to provide intrastate long distance services (interexchange services) in Louisiana, Mississippi and Alabama. Advanced Tel and TLX are also certificated as competitive LECs in Louisiana. East Ascension is the incumbent LEC providing exchange and exchange access services in portions of Ascension and Livingston Parishes, Louisiana. The following U.S. citizens own 10% or more equity in EATELCORP: Beryl Scanlan Smith (16.8 percent), The 2004 RBS/BSS Trust (Beryl Scanlan Smith, Trustee) (11.3 percent), The 2004 RBS/AGSII Trust (Arthur Scanlan, II, Trustee) (11.3 percent), The 2003 DPS Trust (Arthur G. Scanlan, II, Trustee) (16.7 percent), The 2004 RBS/JDS Trust/(John D. Scanlan, Trustee) (11.3 percent), The 2003 AGSIII Trust (Ruther Banker Scanlan, Trustee) (8 percent) and The 2003 JPS Trust (Ruth Banker Scanlan) (8 percent).

Pursuant to the terms of the proposed transaction, EATEL will purchase all of the membership interests in SJI from SJI Holdings. After consummation of the proposed transaction, SJI will be a direct, wholly-owned subsidiary of EATEL. Latelco will remain a wholly-owned subsidiary of SJI. Applicants state that after the proposed transaction closes, SJI and its subsidiaries will continue to exist and operate in their respective service territories, under their current trade names, providing service pursuant to existing rates, terms and conditions.

Although Applicants assert that the proposed transactions are entitled to streamlined treatment pursuant to 47 C.F.R. § 63.03(b)(2)(iii), EATEL's affiliates provide long distance service in Latelco's local exchange area; therefore, the application will be processed on a non-streamlined basis. <sup>10</sup> Applicants state that the proposed transaction will serve the public interest, convenience, and necessity because it will enable the continued provision of high-quality communications services to SJI customers, and that economic and strategic efficiencies will result from the transaction, benefitting the current subscribers of both companies.

<sup>&</sup>lt;sup>4</sup> Within the exchanges of Galvez, Gonzales, Dutchtown, Sorrento, Maurepas and French Settlement, East Ascension serves approximately 27,205 access lines.

<sup>&</sup>lt;sup>5</sup> The ownership interests listed are Class A, which is the only voting equity interest. In addition, Class B (nonvoting) ownership interests are held or controlled by the following U.S. citizens and entities: Beryl Scanlan Smith: 25.3%; Arthur G. Scanlan, II: 5.5%; The 2003 CLR Trust (John D. Scanlan, Trustee): 12.1%; The 2003 AGIII Trust: 15.5%; The 2003 JPS Trust: 15.5%; and The 2003 DPS Trust: 26.3%.

<sup>&</sup>lt;sup>6</sup> Beryl Scanlan Smith also serves as Trustee for several smaller trusts, with additional combined voting interests totaling 3.9%. Accordingly, Ms. Smith's total voting interest equals 32.0%.

<sup>&</sup>lt;sup>7</sup> Arthur G. Scanlan, II also serves as Trustee for several smaller trusts, with additional combined voting interest totaling 3.6 percent, as well as holding a direct interest in 2.8 percent voting equity. Accordingly, Mr. Scanlan's total voting interest equals 34.4%.

<sup>&</sup>lt;sup>8</sup> John D. Scanlan also serves as Trustee for several smaller trusts, with additional combined voting interests totaling 6.1%. Accordingly, Mr. Scanlan's total voting interest equals 17.4%.

<sup>&</sup>lt;sup>9</sup> Ruth Banker Scanlan also holds a direct ownership interest in less than 0.1% of voting equity. Accordingly, Mrs. Scanlan's total voting interest equals 16 percent.

<sup>&</sup>lt;sup>10</sup> See 47 C.F.R. § 63.04. Applicants state that there is no overlap in local exchange territory, either incumbent or competitive between SJI and its affiliates and EATEL and its affiliates, nor are there any adjacent local exchange operations; however, approximately 100 of Latelco's local exchange subscribers have selected EATEL long distance affiliates as their primary interexchange carrier.

## **GENERAL INFORMATION**

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a non-streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Interested parties may file comments **on or before October 26, 2011** and reply comments **on or before November 2, 2011**. Comments may be filed using: (1) the Commission's Electronic Comment Filing System (ECFS), or (2) by filing paper copies. *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998).

- Electronic Filers: Comments may be filed electronically using the Internet by accessing the ECFS: <a href="http://fjallfoss.fcc.gov/ecfs2/">http://fjallfoss.fcc.gov/ecfs2/</a>.
- Paper Filers: Parties who choose to file by paper must file an original and one copy of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.

Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

- All hand-delivered or messenger-delivered paper filings for the Commission's Secretary must be delivered to FCC Headquarters at 445 12<sup>th</sup> St., SW, Room TW-A325, Washington, DC 20554. The filing hours are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes and boxes must be disposed of <u>before</u> entering the building.
- Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743.
- U.S. Postal Service first-class, Express, and Priority mail must be addressed to 445 12<sup>th</sup> Street, SW, Washington DC 20554.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to <a href="fcc504@fcc.gov">fcc504@fcc.gov</a> or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

## In addition, e-mail one copy of each pleading to each of the following:

- 1) The Commission's duplicating contractor, Best Copy and Printing, Inc., fcc@bcpiweb.com; phone: (202) 488-5300; fax: (202) 488-5563;
- 2) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, tracey.wilson@fcc.gov;
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- 4) David Krech, Policy Division, International Bureau, david.krech@fcc.gov; and
- 5) Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

Filings and comments are available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, S.W., Room CY-A257,

Washington, D.C. 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554; telephone: (202) 488-5300; fax: (202) 488-5563; e-mail: fcc@bcpiweb.com; url: www.bcpiweb.com.

For further information, please contact Tracey Wilson at (202) 418-1394 or Dennis Johnson at (202) 418-0809.